

PUBLIC COMMENT POSTED IN THE ORDER IT WAS RECEIVED
BY
The Office of the Health Insurance Commissioner.



State of Rhode Island and Providence Plantations
Office of the Lieutenant Governor

Elizabeth H. Roberts
Lieutenant Governor

January 25, 2010

RECEIVED

JAN 25 2010

Health Insurance
Commissioner

Christopher Koller
Rhode Island Health Insurance Commissioner
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02910

RE: Proposed 2010 Rate Filing for Large and Small Group Business Plans by Blue Cross & Blue Shield of Rhode Island

Dear Commissioner Koller:

I am writing to request that you reject the application for a rate increase for small and large group business plans submitted by Blue Cross & Blue Shield of Rhode Island.

Rhode Island's businesses and institutions continue to face dire circumstances and a tremendously challenging operating environment during this economic downturn. Rhode Island businesses continue to struggle to survive and keep their doors open. From the state's largest businesses to small, family-owned businesses, deep and painful cuts and sacrifices are being made in operating budgets. The proposed double-digit increases in health insurance premiums for small and large businesses will certainly put extraordinary strain on budgets stretched well beyond their limits, and may contribute to the erosion of employer-sponsored insurance in Rhode Island.

Last year, I stood with business leaders to voice my opposition to the proposed double-digit rate increases for small and large group business plans from all the state's insurers. Your office rejected the proposed increases, and both Blue Cross & Blue Shield of Rhode Island and United Health ultimately withdrew their applications. The recently announced 2010 rate factor filings from Blue Cross & Blue Shield project increases of approximately 14.6% for large groups and 11.5% for small groups. While the rate filings represent a slight reduction from 2009, they are still as I described them last year-- unacceptable, untenable and unrealistic, given the current state of the Rhode Island economy. I urge you to carefully examine and reject this rate filing.

The continually rising tide of health insurance rate increase requests will only continue if we do not address the underlying escalating costs of health care. All stakeholders, medical providers, consumers, insurers and government must together address the root causes of rising health care costs in Rhode Island. As we continue to discuss the ways in which we can bend the cost curve downward, we must remain steadfast in holding the line on cost increases to Rhode Islanders who need our help the most. The proposed rate increases should be rejected at this time and instead we should redouble our efforts to make controlling the underlying costs of health care the focus of our implementation of health care reform in Rhode Island.

Sincerely,

Elizabeth Roberts
Lieutenant Governor



State of Rhode Island and Providence Plantations

HOUSE OF REPRESENTATIVES

REPRESENTATIVE DEBORAH L. RUGGIERO, *District 74*

January 30, 2010

Commissioner Christopher Koller
RI Health Insurance Commissioner
1511 Pontiac Avenue
Cranston, RI 02920

RECEIVED

FEB 09 2010

Health Insurance
Commissioner

Dear Commissioner Koller,

I am urging you to reject Blue Cross Blue Shield's application for a rate increase for small and large group business plans.

Rhode Island businesses are facing unprecedented economic times. Whether it's a small family owned business or a large firm in Rhode Island, deep cuts are being made across the board.

There are 35,000 small businesses in Rhode Island, employing 60% of the state's workforce. Many small business owners are having a difficult time meeting their payroll and paying their vendors. Health insurance increases in this current economy will only contribute to increased unemployment.

We need to look at health care reform and controlling the underlying costs of health care. Perhaps we need to change the way providers get paid so they benefit when patients stay healthy rather than when they have surgery. Please hold insurers accountable with tenacious rate reviews.

I respectfully urge you to carefully scrutinize this request and reject it.

Sincerely,

Deborah Ruggiero
State Representative
District 74—Jamestown Middletown
Cell: 401-487-6415
Email: rep-ruggiero@rilin.state.ri.us

cc: Mr. James Purcell

Congress of the United States
Washington, DC 20515

RECEIVED

FEB 09 2010

**Health Insurance
Commissioner**

February 2, 2010

Commissioner Christopher F. Koller
Office of the Health Insurance Commissioner
1511 Pontiac Ave
Building #69, First Floor
Cranston, RI 02920

Dear Commissioner Koller:

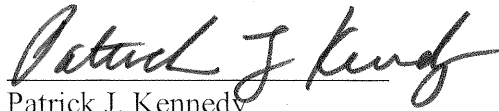
The tentative agreement to raise Blue Cross & Blue Shield insurance premiums stands to harm those in our state who have been most heavily affected by this recession. While we are aware that the cost of care continues to rise and we are working to address those challenges at the federal level through health reform, the proposed rate hike is a significant burden to middle class families given the current economic recession in Rhode Island.

The approved rate increase affects direct-pay health care plans. People enrolled in these plans are not covered through their employers nor are they eligible for government coverage. Individuals and families in this coverage group are among the least likely to be able to afford such an increase. The requested increase effectively asks those in our state who have recently lost their jobs, small-business owners and self-employed workers who have been continuously struggling to provide health care for their workers or themselves, and those workers who do not have access to employer-based insurance (many of whom often make less money because they are in part-time or entry-level jobs), to pick up a disproportionate share of rising health care costs.

This is exactly the middle class population we should be fighting to protect from soaring health care costs. These Rhode Islanders have already suffered the consequences of these skyrocketing costs, and many live in fear of the astronomical costs they may incur if they or their families experience an unexpected health care emergency. Further, the costs of health care have been holding these small businesses back—40 percent of small business owners have stated that high health care costs have a negative effect on other parts of their business, such as high employee turnover or preventing business growth. Small businesses are already paying premiums that are 18 percent greater than larger companies. With an additional 50 residents of Rhode Island losing health insurance every day, we should not pass along these costs to them.

We respectfully ask that you take into consideration the additional burden to middle class families when forming your recommendation regarding the Blue Cross & Blue Shield of Rhode Island rates increases. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, reading "Patrick J. Kennedy".

Patrick J. Kennedy
Member of Congress

A handwritten signature in cursive script, reading "Jim Langevin".

James Langevin
Member of Congress



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903

(401) 274-4400

TDD (401) 453-0410

February 10, 2010

Patrick C. Lynch, Attorney General

RECEIVED

FEB 10 2010

Health Insurance
Commissioner

Mr. Christopher F. Koller
Health Insurance Commissioner
Department of Business Regulation
1511 Pontiac Avenue
Bld. 69, 1st. Flr.
Cranston, RI 02920

**Re: Rating Factors Applicable to Small Group Subscription Rate Renewals
Effective May 1, 2010 through December 1, 2010;**

**Rating Factors Applicable to Rhode Island Builders Association
Subscription Rate Renewal Effective November 1, 2010;**

**Rating Factors Applicable to Large Group Subscription Rate Renewals
Effective July 1, 2010 through December 1, 2010, including Required
Early Notice Renewals Effective January 1, 2011**

**Annual Small and Large Employer Rate Factor Filings – July 1, 2010
United HealthCare Insurance Company**

Dear Commissioner Koller:

I am writing to express my concerns regarding the proposed rate increases filed by Blue Cross for its small group, large group and Rhode Island Builders Association coverage (referenced above "the Blue Cross Filings") with your office on January 22, as well as those filed by United HealthCare for its large and small groups filed on January 14 (referenced above "the United Filings"). Given the extreme economic circumstances Rhode Island citizens are continuing to face and the significant unemployment and increasing costs for virtually every necessity of life, I write to request that you review the appropriateness of the rate increases in these filings in the context of a full public hearing, rather than the limited "public comment."

As you are aware, a full public hearing provides an opportunity for the Attorney General, the public's advocate, to fully review proposed rate increases and protect the interests of the public. Without a full public hearing, the Attorney General will not have an opportunity to obtain expert assistance to conduct a complete review of each of these filings, including the rating factors upon which they are based and that would be used in the calculation of the rates that would ultimately be approved. Although recent press states that your office intends to conduct its own analysis of the proposed rate increases, a full review in the public hearing process would provide complete transparency for those who are being asked to pay these proposed increases.

It has been my contention for some time that the extent of the reserves amassed by health insurers, as well as the speed at which they are being accumulated, is problematic. Blue Cross is requesting a reserve contribution of 2.34% for the small and large group subscribers, while United appears to request a 1% profit contribution. At a time such as this, however, when the citizens of Rhode Island continue to face record rates of unemployment, even as compared to the nation, and employers are considering whether to dismiss employees or to simply no longer provide health insurance because they cannot afford it, more than a perfunctory review is warranted.

In public hearings concerning health care over the years, my office has also adamantly objected to the manner in which Blue Cross has spent premium dollars for administrative expenses. For example, I could not help but note that Blue Cross seeks to have its groups pay an additional \$13.05 per member per month for administrative expenses, including a portion only identified as "other." It is interesting to note that Blue Cross's administrative expenses have been continuing to rise while the amount of members paying them has been decreasing – another issue that bears close scrutiny. Moreover, given the fact that there have been no hearings for the group business, these extremely difficult economic times facing Rhode Island citizens and businesses make the need for a full public hearing to examine these proposed increases by both Blue Cross and United even more compelling.

You might also recall that my office has carefully examined Blue Cross's affordability initiatives since Blue Cross first proffered them. In every instance we have been critical of them because they lack not only budgeting and appropriate oversight for the proposed dollars to be spent, but they are also not tracked to ensure that the proposed initiatives actually offer value to subscribers on a cost/benefit basis. Blue Cross makes statements in its filings as to efforts being made to ensure affordability, but there is no opportunity to assess their veracity if there is no public hearing during which they can be appropriately examined. As for United, since there have been no public hearings regarding any of United's filings, this aspect of their filings has never been examined in full public view.

Our state continues to be at a critical juncture. At a time when Rhode Island seeks to attract business, it is also appropriate that the businesses that might consider locating to or remaining in our state, be permitted to obtain health insurance coverage for their employees. In the interests of all Rhode Island residents, I urge that you not summarily grant these rate increases that have been proposed by Blue Cross and United. Instead, I urge you to review these proposed rate increases under the bright light that will be brought through the public hearing process to ensure that any rate increases approved are appropriate and necessary.

Very truly yours,



Patrick C. Lynch
Attorney General

PCL/kab

From: "Frank:1on1Basketball" <fjluca61@cox.net>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/11/2010 9:55 AM
Subject: Insurers rate increases

Dear Commissioner Koller, I am writing to you with deep concern over the health insurers of this state asking for their usual yearly double digit rate increases. There increases are far exceeding the rate of inflation and are just not realistic in any time, let alone with the current state of the economy in this state and in the US.

I am a small business owner and if I passed on double digit increases to my customers every year I would have been out of business years ago. What is Blue Cross and United Healthcare doing to lower their costs, what are they doing to get to the root cause of their higher costs? It appears to me they are not doing enough. I reviewed some of the info on the commissioner's web site and it still does not make sense. It's easy not put a solid effect into reducing your own costs when they know they can get double digit rate increases every year. They have no sense of urgency to find ways of avoiding these rate increase requests.

When is this going to stop?? What can you do to force them to tighten their own belts and to think "outside the box" so these increases are at a more reasonable level?

I really can't take it anymore. If it were not for my family roots in this state I would have left a long time ago. There is no reason or incentive to do business in this state, between high taxes, electric rates and of course health insurance rates. Is it true that our health insurance rates are some of the highest in the nation?

I'm asking (begging) you to please force these insurers to lower their increases to 5% or less and make due with what they get, just like everyone else needs to do during these tough times. Someone has to make a stand thus the people of this state including me are depending on you to defend us and deny these ridiculous and unrealistic rate increases.

I thank you for your time and would be happy to discuss this with you further if you would like. I can be reached at #231-3808.

Sincerely,
Frank Luca
President
One on One Basketball RI

From: James McDonald <mcdonald.james2@gmail.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/11/2010 5:59 PM
Subject: comment on insurance rates

To whom it may concern,

I am writing to suggest that recent requests by blue cross, united health and Tufts for rate increases be denied. I agree with the attorney general, Mr. Lynch, that Blue Cross has spent extravagantly on administrative costs. why should the costs of their new expensive building in Providence be passed on to consumers? These are difficult times. let the insurers tighten their financial belts.

Jim McDonald



Ocean State Action

Fighting together for social and economic justice

February 15, 2010

Commissioner Christopher Koller
Office of the Health Insurance Commissioner
1510 Pontiac Avenue, Bldg 69-1
Cranston, RI 02920

RECEIVED

FEB 16 2010

**Health Insurance
Commissioner**

Commissioner Koller:

I am writing in response to your request for public comment on the rate factor filings by Blue Cross and Blue Shield of Rhode Island and UnitedHealth Care for small and large group customers in Rhode Island.

Ocean State Action is a coalition of community organizations, professional associations, and labor unions fighting together for social and economic justice. For over a decade, we have brought together health care consumers, providers, small business owners, and workers to organize for the common goal of quality, affordable health care for all Rhode Islanders.

The current rate factor filings reflect some very troubling trends in terms of the growing unaffordability and accessibility of health care in our state. First, the increases in provider health costs in these factors, as well as your office's recent report on insurance payments to hospitals in Rhode Island, reflect the increasing power of the major hospital systems to demand payments from insurers that are helping to drive the cost of coverage ever higher. It is likely that a merged Lifespan-Care New England hospital system could worsen this dynamic further, in the absence of state rate setting.

It seems insurers do not have the willingness to drive a harder bargain with hospitals unless forced to do so. You should not accept the cost increases proposed for hospitals, particularly those directly related to cost inflation rather than increased utilization.

Last year, the Health Insurance Advisory Council approved new requirements for Rhode Island large and small group insurers that committed the insurers to increase their percentage of primary care spending by 1 percent each year for five years. While these new requirements specifically forbid insurers from passing on the cost of this additional spend to customers, the complex nature of the rate filing makes it difficult to discern whether or not the insurers are hiding the cost of this increased primary care spend within the request, rather than making reductions in spending elsewhere. The burden of proving that the increased primary care spend is not being passed onto consumers should be on the insurers, and the only way they can prove that is to show spending reductions that would not have otherwise been made (or project such reductions in the future).

Finally, in light of these requests, the statements by Blue Cross and United to hold their administrative cost percentage stable suggests that their administrative costs are rising as quickly as their premiums overall – in most cases, more than 10 percent. In a year where there has barely been any inflation at all, 10 percent – or, in the case of Blue Cross' large group request, 14.6 percent – increases in administrative costs are completely unacceptable. The soaring per member per month cost reflects in some cases a reduction in members that is not accompanied with an equal reduction in staff or other administrative costs. This mirrors a troubling trend nationally, where private insurers are seeing profits increase even as their private enrollments decline.

If the increase requests made in these filings are approved, then the vicious cycle of ever-more companies dropping coverage or cost-shifting to employees, and ever more Rhode Islanders losing insurance as a result, will continue – and these reductions in the pool of insureds will mean yet higher per member per month administrative costs.

Finally, I believe the insurers need to be more conscientious about the struggles facing their customers – small and large employers in this state, as well as the insured individuals and families – before the next time they tout their efforts to cut costs. In the context of the pay of top executives at United Health Group nationally and its vast 2009 increase in profitability, any suggestion that the company is doing enough to control costs for its Rhode Island customers is hard to stomach. And while Blue Cross promotes the savings they have accrued from not having to renovate their old headquarters as a result of the company's new building, that claim assumes that the cost of constructing their new building was as reasonable as it could be – which is hard to believe.

It is without a doubt that substantial national healthcare reform is needed if the problem of runaway insurance costs is truly to be controlled. Even rejecting or reducing the size of these requested increases, on its own, will not come close to making health coverage truly affordable in Rhode Island.

But I do urge you to reduce these increases as much as possible in a manner that will force the insurers to make further changes in their own operations and effect some change in their negotiations with hospitals. I also urge you to place conditions on the size of their administrative costs for small and large group customers, and to require that the percentage spent on these costs shrinks accordingly by not rising faster than general inflation.

Sincerely,

A handwritten signature in dark ink, appearing to read "Peter Asen", with a long, sweeping horizontal stroke extending to the right.

Peter Asen
Executive Director
Ocean State Action



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903

(401) 274-4400

TDD (401) 453-0410

February 16, 2010

Patrick C. Lynch, Attorney General

HAND DELIVERED

Mr. Christopher F. Koller
Health Insurance Commissioner
Co-Chair of Health Insurance Advisory Council
Department of Business Regulation
1511 Pontiac Avenue
Bld. 69, 1st. Flr.
Cranston, RI 02920

Mr. William Martin
Co-Chair of Health Insurance Advisory Council
EpiVax
146 Clifford Street
Providence, RI 02903

RE: Health Insurance Advisory Council Meeting on February 16, 2010

Dear Sirs:

As you know, there is a meeting today of the Health Insurance Advisory Council (HIAC), which is a part of your Office. The HIAC exists solely to present to you concerns of consumers, businesses and medical providers affected by health insurance decisions.

As you also know, on February 10, 2010, I called upon your Office to hold a full public hearing on the recent Small and Large group filings. Such a hearing would allow my office to examine those documents with the assistance of a professional actuary as well as thereafter present evidence to your Office that you could consider and upon which you could legally base a decision to deny or reduce these rate requests. A copy of the February 10, 2010 letter is attached.

The public meeting the HIAC is having this afternoon is an important avenue for citizens to express their concerns over the spiraling costs of health care. Unfortunately, it is neither a substitute for a public hearing nor does it present actuarial evidence upon which you can base a decision to reduce or deny the increases sought by these insurers.

I repeat now, and I strongly hope that all those who attend this public meeting echo that the only way for the citizens and businesses of Rhode Island to be legally heard with the weight of evidence behind their voices is if the Office of Health Insurance Commissioner holds a public

hearing in which we can use expert testimony to scrutinize the filings. Again, I make my request that we receive such a hearing. This public meeting is not, and cannot be, a substitute for that hearing.

Very truly yours,

A handwritten signature in black ink, appearing to read "Patrick C. Lynch". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Patrick C. Lynch
Attorney General

PCL/kab

Enclosure



State of Rhode Island and Providence Plantations

DEPARTMENT OF ATTORNEY GENERAL

150 South Main Street • Providence, RI 02903

(401) 274-4400

TDD (401) 453-0410

Patrick C. Lynch, Attorney General

February 10, 2010

Mr. Christopher F. Koller
Health Insurance Commissioner
Department of Business Regulation
1511 Pontiac Avenue
Bld. 69, 1st Flr.
Cranston, RI 02920

**Re: Rating Factors Applicable to Small Group Subscription Rate Renewals
Effective May 1, 2010 through December 1, 2010;**

**Rating Factors Applicable to Rhode Island Builders Association
Subscription Rate Renewal Effective November 1, 2010;**

**Rating Factors Applicable to Large Group Subscription Rate Renewals
Effective July 1, 2010 through December 1, 2010, including Required
Early Notice Renewals Effective January 1, 2011**

**Annual Small and Large Employer Rate Factor Filings – July 1, 2010
United HealthCare Insurance Company**

Dear Commissioner Koller:

I am writing to express my concerns regarding the proposed rate increases filed by Blue Cross for its small group, large group and Rhode Island Builders Association coverage (referenced above "the Blue Cross Filings") with your office on January 22, as well as those filed by United HealthCare for its large and small groups filed on January 14 (referenced above "the United Filings"). Given the extreme economic circumstances Rhode Island citizens are continuing to face and the significant unemployment and increasing costs for virtually every necessity of life, I write to request that you review the appropriateness of the rate increases in these filings in the context of a full public hearing, rather than the limited "public comment."

As you are aware, a full public hearing provides an opportunity for the Attorney General, the public's advocate, to fully review proposed rate increases and protect the interests of the public. Without a full public hearing, the Attorney General will not have an opportunity to obtain expert assistance to conduct a complete review of each of these filings, including the rating factors upon which they are based and that would be used in the calculation of the rates that would ultimately be approved. Although recent press states that your office intends to conduct its own analysis of the proposed rate increases, a full review in the public hearing process would provide complete transparency for those who are being asked to pay these proposed increases.

Mr. Christopher F. Koller
February 10, 2010
Page 2

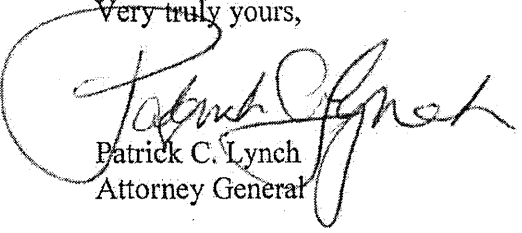
It has been my contention for some time that the extent of the reserves amassed by health insurers, as well as the speed at which they are being accumulated, is problematic. Blue Cross is requesting a reserve contribution of 2.34% for the small and large group subscribers, while United appears to request a 1% profit contribution. At a time such as this, however, when the citizens of Rhode Island continue to face record rates of unemployment, even as compared to the nation, and employers are considering whether to dismiss employees or to simply no longer provide health insurance because they cannot afford it, more than a perfunctory review is warranted.

In public hearings concerning health care over the years, my office has also adamantly objected to the manner in which Blue Cross has spent premium dollars for administrative expenses. For example, I could not help but note that Blue Cross seeks to have its groups pay an additional \$13.05 per member per month for administrative expenses, including a portion only identified as "other." It is interesting to note that Blue Cross's administrative expenses have been continuing to rise while the amount of members paying them has been decreasing – another issue that bears close scrutiny. Moreover, given the fact that there have been no hearings for the group business, these extremely difficult economic times facing Rhode Island citizens and businesses make the need for a full public hearing to examine these proposed increases by both Blue Cross and United even more compelling.

You might also recall that my office has carefully examined Blue Cross's affordability initiatives since Blue Cross first proffered them. In every instance we have been critical of them because they lack not only budgeting and appropriate oversight for the proposed dollars to be spent, but they are also not tracked to ensure that the proposed initiatives actually offer value to subscribers on a cost/benefit basis. Blue Cross makes statements in its filings as to efforts being made to ensure affordability, but there is no opportunity to assess their veracity if there is no public hearing during which they can be appropriately examined. As for United, since there have been no public hearings regarding any of United's filings, this aspect of their filings has never been examined in full public view.

Our state continues to be at a critical juncture. At a time when Rhode Island seeks to attract business, it is also appropriate that the businesses that might consider locating to or remaining in our state, be permitted to obtain health insurance coverage for their employees. In the interests of all Rhode Island residents, I urge that you not summarily grant these rate increases that have been proposed by Blue Cross and United. Instead, I urge you to review these proposed rate increases under the bright light that will be brought through the public hearing process to ensure that any rate increases approved are appropriate and necessary.

Very truly yours,



Patrick C. Lynch
Attorney General

PCL/kab

235 Promenade Street | Suite 104
Telephone: 401-274-1771



Providence, Rhode Island 02908
Facsimile: 401-274-1789

February 16, 2010

Christopher F. Koller
Health Insurance Commissioner
1511 Pontiac Ave, Building #69 First Floor
Cranston, RI 02920

Dear Commissioner Koller,

I write today on behalf of the Rhode Island Health Center Association (RIHCA) and its members, Rhode Island's ten community health centers, to comment on the proposed rate increases for small and large group health insurance by the three commercial insurers in Rhode Island. RIHCA commented on proposed group rate increases last year, and continues to be concerned about any potential increases during this time of economic recession. The health centers are both employers and health care providers, and our concern comes from both perspectives.

Rhode Island's ten community health centers are a critical element in the state's health care landscape. Serving 112,000 Rhode Islanders annually, the community health centers provide comprehensive, high quality primary and preventive care to some of Rhode Island's most vulnerable populations. About 22% of our patients were privately insured in 2008. We are active proponents of the medical home model of care, participants in the Rhode Island Chronic Care Sustainability Initiative and the Rhode Island Chronic Care Collaborative, and early adopters of electronic medical records. In addition, the health centers and RIHCA together employ over 700 people; some are large employers with well over 50 employees, while others are small employers, with fewer than 10 employees.

As health care providers, the community health centers are acutely aware of the need for accessible, affordable primary care in Rhode Island. Our health centers are expanding capacity, both by hiring additional providers and by expanding hours, in order to attempt to meet the increase in demand for our services, including the increased uninsured population many centers are seeing. At one health center, for example, from 2008 to 2009 the unduplicated patient count increased by 21% and the unduplicated uninsured patient count increased by a staggering 88%. In addition, the sliding fee discount total (aka charity care) increased at this one health center from \$637K in 2008 to \$836K in 2009. This amount represents the difference between the standard charge and amounts charged to uninsured patients on a sliding fee scale.

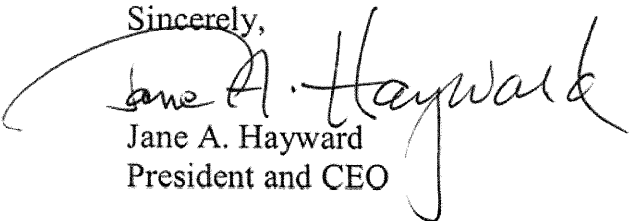
Further, RIHCA and our health centers are concerned about the additional cost that we will incur as employers in order to continue to provide insurance to our workers. As with all employers, should rate increases be approved, the health centers will have to decide what costs to pass on to our employees and what costs the health centers are able to absorb. If the health centers pass the additional costs on to employees, we fear that some of our employees will be unable to pay

additional premiums, and may become uninsured. If the health centers absorb the additional cost of higher insurance rates, we will limit our ability to grow to meet the needs of the increasing numbers of patients in need of our services, including the growing population of uninsured Rhode Islanders.

While we remain very concerned about the rate increases, RIHCA commends the plans on some of the work they are doing to increase affordability of health care and insurance. As we have commented in the past, the community health centers support the Insurance Commissioner's initiatives to address insurance affordability, quality of care, and access to primary care. All 10 community health centers participate in the chronic care collaborative, and one center is a CSI-RI site. The health centers are committed to providing medical homes for their patients with chronic medical issues and are eager to see CSI-RI expand to include more sites.

In conclusion, RIHCA is concerned about the proposed rate increases. In addition to making a careful examination of this request, we encourage OHIC to continue to insist that the insurers are working to reduce costs and increase the quality of health care in Rhode Island. RIHCA remains committed to working together with OHIC and the plans to continue to address affordability. At this time, however, RIHCA is opposed to the rate increases requested by the three commercial insurers.

Sincerely,



Jane A. Hayward
President and CEO

Testimony
Frank T. Caprio
Health Insurance Advisory Council
February 16, 2010

Good afternoon Commissioner Koller and the Health Insurance Advisory Council,

I am here to voice my opposition to the proposed Blue Cross Blue Shield, United Health Care, and Tufts Health Plan rate increases for subscribers.

The direct pay plan rate increases, be they the average 10.2% as proposed by Blue Cross Blue Shield, 9.5% as proposed by the Attorney General, or 7% as recently recommended by your office, represent a financial burden that Rhode Islanders who are already struggling to pay their bills cannot afford.

I've followed the stories and conversations on these increases. The conversation seems to be framed around the wants and needs of the big health insurance companies, but the ability of an average family to afford these rate increases is overlooked. I want to remind you that it is important to keep these folks in mind. The average Rhode Islander can't raise their rates of compensation to cover their wants and needs.

For the average family a rate increase translates into forgoing raises, sending the kids to daycare so both parents can work, and making small life changes like taking the bus to work instead of driving, so they can cover the additional cost of health care caused by these rate increases.

And while the average family has quietly struggled to get by, companies like Blue Cross Blue Shield have continued to justify hiking rates 80% over the last decade, while amassing millions in reserves, handing out fat bonuses to executives, and erecting a state of the art corporate headquarters. In fact, a study conducted by the White House found that healthcare has increased at a rate 4x that of compensation in RI. That 122% rate increase is the 13th highest in the nation.

And while the rates have crept up, Rhode Islanders are looking at a pile of bills on their kitchen table, and are making the tough decisions necessary to survive this recession. Even at the lowest increase, as proposed by Commissioner Koller, the average family plan will cost an additional \$90/month, totaling well over a \$1000 per year.

What will you have to cut to afford another \$90-\$100 per month?

Today, you're also taking the first rounds of testimony on the rate hikes proposed for small businesses.

I've held over 60 forums where I've listened to over a thousand small business owners. These folks are the lifeblood of Rhode Island's economy, with 35,000 of them employing 60% of the workforce. I'm there to find out what, besides the global economy, is holding them back from hiring new people, or at the very least retaining jobs.

Sure, they mention taxes, but their number one cost after payroll is health insurance, raising rates that they insist are inhibiting them from hiring additional people.

I've heard stories of business owners canceling their own insurance before they'll cut it for their employees. Some have taken out personal or home equity loans to avoid having to pass the burden onto their employees. But more frequently folks have delayed expanding and hiring more people as they brace for the next round of rate hikes.

I'm here to tell you what they've all told me; enough is enough. Health insurance rate hikes are killing jobs in Rhode Island.

I've sat where you are today, having to choose between allowing growth of programs which deliver an important service and controlling costs on the Rhode Islanders who are stuck paying the bill.

This decision lies with you because the cost of healthcare is not a normal supply/demand commodity.

We have an inelastic demand for healthcare and not enough providers to create the competition to drive down or even control costs.

So when you consider these rate increases, realize that you're deciding between forcing the insurers to cut costs, or businesses to cut jobs.

Thank you for your time and focus on this issue.

From: <alexzam@aol.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/16/2010 4:37 PM
Subject: Public comment - health insurance rate increases

Please accept my comments in response to the public hearing notice - I am unable to attend the meeting.

I work for a small nonprofit and I pay for myself and my children (not including spouse) over \$600 a month out of my paycheck for health insurance - that is about \$7200 a year. In addition I have a \$2,000 per person deductible and there are three of us. On top of this I pay about \$200 a month for family dental.

The rates set for this small nonprofit were based on a small number of people and past utilization history.

I am forced to keep this job due to the health insurance being offered. But my income is being reduced drastically because of this. The effect of rate increases with high deductibles is to disincentivize people from getting preventive care.

A few weeks ago a doctor did a stat throat swab on my daughter to rule out H1N1 - my cost out of pocket? \$70. I will think twice, yes, before agreeing to a test again and want proof that it is important. So - if BCBS truly believes in prevention and wellness and continues to promote plans with super high deductibles and co-pays the impact is to not promote this at all.

My daughters who are in their early 20s and college students take birth control pills. My out of pocket cost for this is \$70 a month. That is every month \$140. Times one year is another \$1680 a year. And this is a co-pay, not a deductible. To disincentivize young people from taking birth control pills because if they were on their own they could not afford to do so is short sighted and poor medical care.

I urge you to disallow ALL of the rate increases being asked for by any health insurer this year. I further urge you to assure that when these health insurers speak of prevention that they put their money where their mouth is and not continue to dupe the RI public. We are more educated than ever before. And the time to stop all of this is now.

Recently, Frank Caprio came out strongly in support of not allowing rate increases. He was a flash in the pan all over the media airwaves. And now there is silence. People are talking that he has been asked to be quiet because of political contribution supporters. Elizabeth Roberts is still speaking out. But the fact that politicians are being bought into silence because of the great power of these health insurers should be sign enough that something is wrong, something needs to stop, and our only independent way to assure this of happening is to plead with the health commissioner to act on our behalfs....it is in your court - please do not let us down.

Nancy Thomas
38 buttonwood Drive
Cranston, RI 02920

From: Barbara Roberts <roberts47@cox.net>
To: HealthInsInquiry@ohic.ri.gov; roberts47@cox.net
Date: 2/16/2010 6:33 PM
Subject: rate hikes

It's time to rein in these insurance companies who are making obscene amounts of money while so many cannot afford health insurance. Their request for rate hikes must be denied.

Barbara H. Roberts, MD

February 16, 2010

Mr. Christopher Koller
Health Insurance Commissioner
State of Rhode Island
1511 Pontiac Avenue
Building 69, 1st Floor
Cranston, RI 02920



RECEIVED

FEB 17 2010

Health Insurance
Commissioner

Dear Commissioner Koller:

As you are aware, the Rhode Island Business HealthCare Advisors Council (RIBHAC) recently commented on the Blue Cross rate filing request. This letter should be considered our commentary on the recent filings by United Health and Tufts. In our Blue Cross correspondence, we urged you to base your decision primarily on the actuarial documentation submitted by Blue Cross. While we have considerable interest in keeping health care costs low, we understand that the drivers of health care inflation are claims-driven. Unfortunately, the rate of health care inflation both locally and nationally has been quite high and we understand that the carriers need to pass along costs to their consumers.

Please bear in mind that our members are especially sensitive to rate increases as we are most often the deliverers of the bad news. However, we understand that no company, including health insurers, should be expected to operate at a loss. It is our understanding that the requested rate increases submitted by United and Tufts assume very thin margins, providing enough anticipated revenue to hopefully satisfy claims, administrative costs and reserve requirements.

As we related in our Blue Cross letter, we recommend the following initial steps be encouraged in the local marketplace to help mitigate the rate of future increases:

1. Acknowledgement that health insurance-related inflation is driven by medical claims and focusing on solutions to this overwhelming cost driver. We recommend encouragement of alternatives to the fee-for-service provider payment system, encouraging expansion of incentives for corporate wellness and careful future consideration of state mandates and their impact on rates.
2. Repeal of the state's health insurance premium tax that disproportionately affects Rhode Island's small businesses. This tax does not fund any health-related care or service for the small employers forced to pay it.
3. Encouragement of additional small group and individual market carriers to increase competition.

As you consider the rate filings from United and Tufts, we continue to urge your office to primarily consider the actuarial justification for rate increase requests. We acknowledge that



populist pressures exist to reject the increases but we recommend that your decision concentrate on the material facts of the submissions.

We certainly believe that increases are warranted and, assuming they are actuarially justified, then they should be approved. Meanwhile, we will continue our efforts to encourage efficiency improvements to the health care delivery system.

Thanks for your consideration of our collective opinion.

Sincerely,

James R. Borah
President



RECEIVED

FEB 18 2010

Health Insurance
Commissioner

Daniel Da Ponte

February 12, 2010

Mr. Christopher Koller, Commissioner
Office of the Health Insurance Commissioner
1511 Pontiac Avenue, Building #69 First Floor
Cranston, RI 02920

Dear Commissioner Koller,

I am writing to you today with the purpose of voicing my opposition to Blue Cross Blue Shield Rhode Island's proposed rate increases for their insurance customers. Everyone is aware of the dire economic situation our state's residents face and I see no ethical way of increasing the burden upon them any further.

I have requested information from BCBSRI regarding their reserves as of December 31, 2009. If you wish to speak about the matter further with me, please contact my office and I would be happy to discuss the proposal and its implications to the people of Rhode Island.

Sincerely,

Daniel Da Ponte
East Providence / Pawtucket

From: Kathy Traskos <kathytraskos@hotmail.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 12:29 PM
Subject: Potential increase in med ins premiums

Mr. Koller,

I just read the article in the Westerly Sun about the possible increase of medical insurance rates in RI. As the wife of a small business owner, I beg you not to let the increase in medical insurance premiums be approved. Just for my husband and me, our premiums are already almost \$17,000 per year. We have 2 employees - thank God one is covered under his wife's policy and the other only needs single coverage (which we pay 100% from the company) because her husband is disabled and on Medicare. As you can well imagine, we could not even consider hiring another employee for fear they may need family coverage. In the present economy, we feel blessed that we have been able to keep the doors open and our heads barely above water. An increase in medical insurance premiums may mean a layoff or even closing the business.

We are covered under BC/BS and I have a question. Why is there no plan for couples with no dependents? Once our children reached the age when they could no longer be on our plan, the premiums remained the same. If I was to take a salary from the business for my accounting work, my husband and I could each get an individual plan and save over \$200/month. Does that make sense to you? Why wouldn't the premium for a couple be double the premium for 2 individuals?

In closing, please know that I speak for so many others here in RI. Our son has been out of work for over 2 years now since his employer went out of business. He and his wife have 2 small children and can barely afford insurance coverage for just the children, leaving them with no coverage. I pray that we will someday have the opportunity to go across state lines and have some competition in the medical insurance industry.

Sincerely,

Kathy Traskos
Urso & Co., Inc.
75 Granite Street
Westerly, RI 02891
Phone (401)596-0366 (401)315-5043
Fax (401)596-3279

CC: traskosmfg@verizon.net

From: "Fagnoli, Ronald" <RFagnoli@GilbaneCo.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 1:01 PM
Subject: Heath Insurance Premium Increases

In this state with this economy I don't see any basis for any increases let alone the ranges they are talking about

The average worker has accepted no increases or outright cuts in wages over the past two years.

These companies should be challenged to make cuts to accommodate required increases

They should propose changes in state health care regulations to allow them to operate more efficiently

They should do what everyone else is trying to do...live within their means...

Companies are not going to absorb these increases...they will pass them on to workers.

Given the existing pressures on households to deal with the present state of economics introducing these kinds of increases is another reason not to come to Rhode Island to work and to leave Rhode Island for a better economic opportunity.

It is another addition on to the cost of doing business in this state that will dissuade potential new employers to come here and set up business.

This increase should be fought and fought hard.

Ronald M. Fagnoli

From: "Dipper" <mrsupri@cox.net>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 1:28 PM
Subject: Health Care costs

To whom it may concern;

Dear Sir or Madame,

How in the world is a small business supposed to exist in this country and economy with the Insurance Companies raising the cost of coverage every year? Rhode Island is tough enough on small business as it is we don't need more and more pressure from Blue Cross. I am a small business and it is the small business that made America what it is and what it is going to be in the future only if we get a break. When a small business starts up and applies for Insurance coverage for its owner or a few employees it has to pay more for coverage than big companies with more than 50 workers. I do not think that the small business designation means a company with over fifty employees. I believe that small means a business with a hand full of employees. It is this kind of situation that kills small business. When are you people going to say enough is enough and take a stand against Blue Cross & Blue Shield and the Gas and Electric companies? You are supposed to be protecting RI businesses.

Thank you,

Michael J. Dipollino

mrsupri@cox.net

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From: Susan Fuller <slf@susanfuller.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 2:56 PM
Subject: Rate Increases for Health Insurance

ABSOLUTELY NOT!!!

Rates are already pretty much unaffordable and if they go up any further I'll have to forego health insurance at age 60 even though I qualify for small group coverage. Not a pleasant prospect.

There is nothing to weigh here. The insurance companies are charging too much. Period. End of story.

It is time to put the brakes on. It has to stop now. Somebody has to put an end to insurance company abuses. Since congress seems disinclined to do it, it falls on you. No rate increases.

Susan Fuller
358 Switch Road
Wood River Jct, RI 02894

From: "The Villa" <villa@riconnect.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 3:28 PM
Subject: Comments on Health Insurance Premium Rate Increases

Commissioner Koller;

I write this assuming know one will read or give a damn. Since your agency is closely tied in to overall Rhode Island politics and it's the politicians who enact laws which hurt state residents and businesses, the rate hike process is simply a formality. Your agency will simply approve a rate increase for the virtual monopoly of health insurance providers; albeit probably at a lesser rate than requested.

I am a relatively new resident to Rhode Island coming from California in 2003. I was the health plan coordinator for my employer who had less than 50 employees. Immediately upon purchasing our small business, it became very obvious there were many layers of corruption in this state from many sectors but especially health care. My premiums nearly doubled with less coverage. Since 2003, and in order to stay solvent, we eliminated medical coverage for all but 1; my wife. Employees and myself could no longer be covered because of the premium increases approved. Since 2003, my wife's have doubled to nearly \$800 per month. She is a 58 year old who almost never goes to the doctor or takes prescription medications.

Over the years, I became aware of a small part of the corruption reading about the CEO of Blue Cross and this states' senate leader being indicted. I believe one of the laws which were perpetrated by these two and enacted by the legislator was to deny small businesses who belonged to an organization such as the Chamber Of Commerce, the ability to pool our numbers to receive large company pricing. If you are serious about helping small businesses provide health care insurance to the citizens of Rhode Island, get this law abolished. I don't know of any other state which does not allow this practice.

Another area where you could help residents and small businesses is to open up the market to other insurance providers. I understand, Rhode Island is a small and somewhat older population to insure. But, let the market place determine who provides insurance; both premiums and coverage will improve.

The reimbursement rates to doctors and hospitals needs to be addressed. This can be achieved with greater competition, not more state government regulations. If this is not corrected too many good doctors will leave the state, more poor ones will come here, and the hospitals will be borderline insolvent.

Lastly, somehow there needs to be a shift in the focus of doctors and hospitals. The first priority is their liability, followed by payment followed by the patient. I have lived in many states none of which puts the patient last. Health care in Rhode Island has been compromised and fails more and more with each passing day.

So that's it.
Regards,
Michael Cardiff
Westerly, RI

From: "Laurie Enquist" <enquistl@cox.net>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 3:54 PM
Subject: RI health insurance rate increase

Dear Sirs,

I am greatly opposed to a Blue Cross/Blue Shield rate increase. We are currently paying \$18,000 a year for a family policy, with a high deductible, \$25.00 copay and \$100 emergency room visit out of pocket. My husband is in a medical partnership and the two doctors we are responsible for their entire premium plus a percentage of the premiums for the employees. In addition, medical procedure re-embursements have NOT increased, many have decreased. The rate increase would mean an annual premium of over \$20,000, which is unreasonable. Between the cost of all of our insurance policies and taxes, we are receiving approximately 30% of the gross salary for all of our other living expenses. The health insurance industry and the government need to stop turning to the public to bail them out. Find another way because you are bleeding the public dry. Pass this information onto our governer as well.

Thank you,
Laurie Enquist

From: "Adams, Maureen" <AdamsM@northstonington.k12.ct.us>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 5:18 PM
Subject: Health insurance pending rate hikes - Arrgghhh

Hello,

I am concerned about the recent article I just read about the rate increases requested by RI health insurance providers. I am a teacher in CT whose district participates in Blue Cross of RI. For the final year in our three year contract, which was left "open" during negotiations two years ago, our union voted to have a pay freeze for next year. On top of that, our health insurance percentage we pay out of pocket will be increasing. This will actually result with teachers making less next year than we currently make.

I am upset and disgusted with hikes in just about every sector possible, from groceries, to gas and oil prices, and now insurance costs. With the state of the economy the way it is, to burden middle and lower income families with yet another increase in financial responsibilities, is outrageous and irresponsible.

Once again, the middle class get squeezed, while the lower income families further struggle to survive. When does it end?

Sincerely,
Maureen Adams
Westerly, RI

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From: <bbrfd33@cox.net>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 6:49 PM
Subject: No Health Insurance Increase

Higher costs will only add to the growing list of people in this state who cannot afford health coverage. Prescription costs have gone up making out of pocket expenses that much higher.

People are struggling to feed their families and hang onto whatever they may have. This is definitely not the time for any increases.

Why not allow health providers from all states to come into this state and compete - isn't this what Congress has?

Maybe these local providers could take a look at their top salaried employees along with the bonuses and perks they give out.

It's time to give the little a guy a break even it its just for one year.

Thank you for this opportunity to comment.

From: ROBERT CORDEIRO <bobmagna@msn.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 10:24 PM

Dear Mr. Koller

I was just reading an article on Projo.com with regards to the pending insurance rate hike. As a self employed electrician currently paying \$624.72 per month for my Blue Cross and given the current economic conditions I like others can not afford any increase. If it is granted I will be forced to drop my insurance.

Let's look at it from this standpoint. If the increase is permitted I am sure that I will not be the only one dropping their coverage and thusly their enrollment will suffer. So what good will this increase do? They will just be back looking for another rate hike due to the fall off in enrollment.

This is a downward spiral and raising these rates will not accomplish anything.

They have already increased co-pay cost and enacted policies that make it more costly to have tests done.

As an example couple of months ago Blue Cross reclassified a prescription and my co-pay went from \$14.00 per month to \$50.00 per month with no change in the prescription price to the pharmacy. Where did that money do to?

I am fairly confident that this did not apply to just this one prescription and me.

I like many other people and governmental bodies have to cut cost during these tough economic times. Why don't they try doing that for a change.

From: "D. Wood Foss" <dwf1@cox.net>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/18/2010 10:47 PM
Subject: Premium Increases

Mr. Christopher F. Koller

Health Insurance Commissioner

State of Rhode Island

Dear Mr. Koller,

I have followed your efforts to control the recent request to raise small business health insurance premiums. I applaud your efforts to hold them around 9%.

I own a very successful small business in Westerly, RI - Alley Katz, Inc. We are a 24 lane bowling center (Alley Katz Bowling Center) and 75 seat restaurant (Cleats Sports Club). We employ approximately 25 staff members both full and part time.

Health care is on the national agenda and without a viable solution emerging. I do not know the answer, but, I do know that neither my company nor my employees are able to continue to pay the increases required to keep health insurance. Some way must be found to control this cost. We share the cost with our employees and yet out of 25 only 7 individuals are able to afford the insurance.

You have probably heard countless stories, so I will not delay you any longer but, I would like to offer 3 suggestions:

1. Stop any further increases. This may cause us to lose insurance in the entire state. So be it, maybe then someone will do something.
2. Campaign for a mandatory statewide health insurance plan. Is it truly reducing costs in MA?
3. Mandate all hospitals adopt the "hire" the doctor policy so successful in several other states at controlling costs. (Read about this but know little of the details.)

Today the Providence Journal reported on a Washington report that health insurance premiums will increase 39% in the near future. Do something! I face challenges everyday and sometimes I just have to keep trying something new. Often, I make mistakes, but after 25 years of trying I have been fortunate to win more than lose. So my last piece of advice to you is DO SOMETHING! Be the hero! Take the risk, shake it up, throw it on the table,

just try it. Please.

Kindly yours,

Wood Foss

D. Wood Foss

Alley Katz, Inc.

116 Granite St.

Westerly, RI 02891

401-741-4503 Cell

401-596-7474 Office

401-596-3655 Fax

dwf1@alleykatz.necoxmail.com

www.alleykatzri.com

From: <gvsini@aol.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/19/2010 6:25 AM
Subject: Health insurance rate increase

Mr. Koller, After reading the article in The Westerly Sun about another increase I felt compelled to share my thoughts. My cost for me and my wife for health (small business) insurance is currently \$1,399.48 monthly. Dental is another \$36.55 each. I keep saying after each increase that I should drop all coverage and save this money for myself to put towards medical as it arises. Blue Cross says it needs more money, but rising premiums is counter productive. If you lowered premiums more people will join; and yes there would be more claims but the volume of premiums would off set the payouts. Raising premiums will cause more people to reduce coverage and drop coverage so you will actually be hurting yourself and putting Blue Cross another step closer to closing shop. I don't even want to get into the expense of high salaries and new building expense to off set increase as I realize it would be just an excersize in futility. You need volume to survive Please do not give in to any more requests for increases. Have them do what small business does to survive...cut expenses....you can not raise prices to survive; if it was that easy that is what all would do; but in time all be out of business. Send them back to work with what they got. Thank you for your time, Michael A. Gervasini (401-596-9024)

CC: debragervasini@aol.com

From: "Thomas M. Lloyd, Jr." <transoptionri@gmail.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/19/2010 7:43 AM
Subject: INCREASE IN HEALTH INSURANCE RATES

Dear Sir or Madam:

I am writing to formally protest the planned increases in health insurance premiums by Blue Cross Blue Shield, United Healthcare and others.

During the most difficult economic times since the Great Depression and with Rhode Island as one of the first states into the recession and expected to be one of the last to emerge, increases in healthcare premiums are unacceptable. Businesses large and small have laid off employees, lost business, cut back programs and are generally in survival mode.

Increases in healthcare insurance costs will only further exacerbate the situation for many businesses in Rhode Island and therefore, for the State in general.

Thank you for your reconsideration.

Best regards.

Thomas M. Lloyd, Jr.
TransOption of RI, LLC
224 Post Road, No. 106
Westerly, RI 02891

t: 401-322-9390
f: 401-322-2632
c: 917-690-7113
e: TransoptionRI@gmail.com

From: <bbbrfd33@cox.net>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/19/2010 9:04 AM
Subject: No Increase in Health Coverage

I believe higher costs will only add to the growing list of rhode islanders who cannot afford health coverage.

Prescription drug costs have gone up making out of pocket expense another cost that adds to the struggle people are having trying to feed their families, pay their bills and hang onto whatever they may have. Why not open this state to health providers from across the country to compete for individual or group coverage such as Congress has.

The health providers in this state should look at the bonuses and perks they are paying their top salaried employees for some relief -I'm sure these companies are not going in the red by not going up in price. It's time to stop passing the buck to the people who have the most difficulty.

Thanks for be able to comment.

Ev

From: "Kate Corbett" <kate@aypymca.org>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/19/2010 10:20 AM
Subject: DON'T DO IT

How can you raise the cost to small employers and individuals?
How crazy can this get?

STOP paying drug companies for their idiotic marketing plans and adding that
to the cost of medication.

Please.....

Kate
Kate Eliza Corbett

"Your living is determined not so much by what life brings to you as by the
attitude you bring to life; not so much by what happens to you as by the way
your mind looks at what happens."
-Kahlil Gibran

From: "Susan Arnold" <susan@riliving.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/19/2010 12:28 PM
Subject: FW: health insurance increases for small groups

Dear Commissioner Koller,

Please do everything you can to minimize the proposed increases to the small group plans. It is so difficult right now to run a small company and any increase in health care costs will likely result in a larger co-share for employees (who can ill afford it), dropping health care benefits all together in some companies, or letting employees go.

It seems that in today's economic environment, the large health insurance companies are much more able to absorb rising costs than their customers. RI is built on 35,000 small companies who employ most of those who are presently employed. To say that this change only impacts small groups really then means that it is the most pervasive change in health care coverage that could occur in Rhode Island.

If there is any way that I can be of assistance, please let me know.

Susan C. Arnold

CEO/General Counsel

Rhode Island Association of REALTORS

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and REALTOR Communication Services

phone = 401.432.6947

email = susan@riliving.com

fax = 401.941.5360

From: "Tom Opishinski" <iocean@cox.net>
To: HealthInsInquiry@ohic.ri.gov; iocean@cox.net
Date: 2/19/2010 1:42 PM
Subject: Health Insurance Rate Increases

BlankDear Commissioner Koller:

Thank you for your efforts regarding health insurance rate increases. I'd like to unequivocally state, again, my opposition to another double digit rate increase for health insurance premiums. As a small business owner I can state that the costs of health insurance are stifling.

Two years ago I submitted comments after reviewing the documentation available on the OHIC web site. Since then we have endured 2 more double digit rate increases including this past year when I was under the impression the rate increases were suspended. These increases followed the same yearly pattern of rate increases going back to the early 2000's. In my previous comment from a few years ago the main point I noted was that BCBS had a net loss of approximately 1500 subscribers during the year and that raising the rates to make up for this loss was unsustainable. Although I did not locate the same detailed analysis in this year's documentation, it appears that pattern continues. As noted in Exhibit II (item 4) of the BCBS rate factor filing shows a "decreasing enrollment".

At this point, BCBSRI is facing many challenges, including:

- An economic recession, which is putting strain on Rhode Island's healthcare system
- A rapidly growing uninsured population
- New competition
- Decreasing enrollment
- Increasing healthcare medical trends
- Increasing total premium must be supported by additional reserves
- Emerging higher medical trends than those inherent in rates, resulting in year-to-date (September) underwriting losses, which are significantly worse than forecasted
- The Centers for Medicare and Medicaid Services (CMS) cutbacks in Medicare Advantage reimbursement
- Strong potential for government healthcare reform

Again, the trend for decreasing enrollment is, obviously, in large part due to the high cost of the service. There is no need to go into detail as it is clearly a poor business model to continue raising costs when the price already far exceeds reasonable levels. Continuing this practice again, for another year, will only lead to more customers dropping health insurance altogether and continuing the trend of "a rapidly growing uninsured population" with the remaining customers paying more and more. As it stands now, the cost of my health insurance has exceeded my monthly mortgage!

It seems a waste of time to go further into the issue as everyone knows continuing increases are not sustainable no matter how the health providers dress it up. One need only review the public comments and note that there is not ONE person or group (including a doctor, politicians, RIHCA) that has responded positively in favor of the increases.

A decision that is favorable for the health insurance companies request to increase rates will cost our family an additional \$1200 for the year. My question is therefore, if you are planning to approve their request then how do we continue to afford it...do we not pay our mortgage?, shut off our phones?, turn off the electricity?, keep our heat below the 60 degrees where it is already set?, not buy our children any clothes or items for school? These are the decisions we already face every day!

Please realize that your decision is affecting the lives of every Rhode Island citizen and not our ability to get ahead a little, but rather just to maintain and live with a little dignity.

Kind regards,

Tom Opishinski

Rhode Island Business Group on Health



Promoting a better
Healthcare delivery system
for all Rhode Islanders

PO Box 1523
Providence, RI 02901-1523
info@rihah.org

February 19, 2010

Christopher Koller
Rhode Island Health Insurance Commissioner
Office of the Health Insurance Commissioner
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02920

RE: Proposed Rate Factors Filed by Major Commercial Health Insurers Operating in Rhode Island

Dear Commissioner Koller:

On behalf of the Rhode Island Business Group on Health (RIBGH), a coalition of over 75 small and large employers in Rhode Island, we are providing you with our perspective on the proposed rate factors filed by Blue Cross and Blue Shield of Rhode Island ("BCBSRI"), United Healthcare of New England ("UHCNE"), and Tufts Health Plan ("Tufts") to be used to calculate their health insurance premium rates for small groups effective May 2010 and for large groups effective July 2010.

With little change expected in the economic situation in Rhode Island for 2010, small and large firms alike are continuing to struggle to survive and sustain their businesses. The cost of providing health insurance to their employees is one of their top business expenses. The continuing trend of double digit increases in premium rates cannot be sustained by businesses that are strained to provide increasingly unaffordable health insurance to their employees. We believe the commercial insurers should share in the responsibility of preserving and stabilizing existing employer-based health insurance coverage in RI.

What we are experiencing in RI is a disturbing but recognizable business trend in the health insurance market. As rates continue to rise, fewer employers, especially among smaller firms, are able to afford the coverage. Since most employees share in the cost of coverage, individual uptake/participation, even in companies that maintain the benefit, continues to erode. Ultimately, the pool of the insured is becoming subject to adverse selection, sustaining what will become an irreversible cost spiral. To this point the insurers have sought to spread their administrative costs and profit goals onto a declining customer base rather than re-engineering their processes to achieve the efficiency needed to maintain market share. In that, they have clearly become part of the problem.

RIBGH recognizes and acknowledges that the 8-9% medical cost inflation trend for 2010 would necessitate some level of premium increase by the insurers to cover claims costs. We now realize that a portion of this increase represents a cost shift from public payers onto the private corporate market. RIBGH believes that the requested premium funding for administrative expenses and for reserves is unreasonable given current economic conditions in Rhode Island. There have also been questions among our members about whether they should be required to pay premiums to fund an increase in BCBSRI's reserve when a sizeable portion of the depletion of Blue Cross's reserves were a direct result of the company's settlement with the U.S. Attorney in 2008.

As we stated in our opposition to the rate filings in May 2009, RIBGH members have sought to understand, with your assistance along with many of our State's health system experts, the real cost drivers behind premium inflation. We recognize that the OHIC can have only a marginal effect on reducing the state's health care cost trend. More meaningful improvement must involve systemic changes to the delivery system, which at present is designed to maximize reimbursement from payers. While we commend the efforts that are underway by the commercial insurers to promote the use of health information technology and other initiatives focused on system-wide improvements in the State's healthcare system, we urge your office to continue to hold the commercial insurers accountable to take further steps to reduce the growth rate of health care costs and to control their own overhead.

It is the position of RIBGH that employers should only be charged rates that reflect the cost of care to our employees as an aggregate patient population. Correcting the idea that we can continue to absorb the social costs of underfunded public programs and ever increasing uncompensated care must become a policy priority for regulators and lawmakers. We recognize the hospitals ultimately must be reimbursed for all services they provide, but this mechanism is simply inequitable. Allowing it to continue to serve as a solution further complicates the issue of how we should fund healthcare in a manner that is both fair to providers and the insured population.

We appreciate your consideration of these comments. We urge you to work with the health insurance carriers to minimize rate increases given the economy. Continuing to pass on increased costs to employer groups through premium rate increases is no longer sustainable for businesses still facing decreasing revenues and a continuing recession in our state. It is endangering the very model of employer provided coverage on which the insurers' own businesses depend.

Sincerely,



J. Michael Vittoria
President



Linda S. Lulli
Director and Chair of the Legislative Affairs and Public Policy Committee

HealthInsInquiry - Insurance rate increase by BCBSRI

From: <info@kathieflorsheimphotography.com>
To: <healthinsinquiry@ohic.ri.gov>
Date: 2/19/2010 5:39 PM
Subject: Insurance rate increase by BCBSRI

Christopher Koehler
 Health Insurance Commissioner
 OHIC
 511 Pontiac Av / Building 69-1
 Cranston, RI 02920

Via email
 <!--[if !supportEmptyParas]--> <!--[endif]-->
 February 19, 2010
 <!--[if !supportEmptyParas]--> <!--[endif]-->
 Dear Mr. Koehler:

I am writing with reference to the proposed rate increase by Blue Cross Blue Shield of RI. I have been a BCBSRI subscriber since 1990. My computer records of payment for premiums only go back as far as 1999, when my premium was \$317.34. Today, my premium is \$906.04, which, as you can see, is three times the cost it was but 11 years ago.

<!--[if !supportEmptyParas]--> <!--[endif]-->
 Unfortunately I cannot say that my co-payments have decreased over that time span. Neither have the fees paid to my providers been increased by the amount that the cost of my policy has risen. What has increased is the amount of paperwork and aggravation required for permission to do routine medical procedures and the amount of my deductible and co-payments.

<!--[if !supportEmptyParas]--> <!--[endif]-->
 As I consider this anticipated increase in cost, I also think about how that will affect the quality of life in Rhode Island. We are already strained, with one of the worst unemployment rates in the country. We have little industry here, and other than our fabulous coastline, not much to attract new residents. Our health costs are already very high, but our reimbursement rates low. What kind of incentive does this present for potential new residents, much less new members of the medical community we so badly need?

<!--[if !supportEmptyParas]--> <!--[endif]-->
 Further, I am at a loss to understand how a company that is continually asking us to open our pockets further, because it cannot afford to do business at the current rate, could build a new building. I am also puzzled that this very same company is commissioning art work for its building. How is it possible for BCBSRI to finance such things when it insists that it cannot do business without these premium increases? I don't get it: if you are forced to ask for bigger premiums because your business model requires that, where does the money come from to finance commissioned art work? Please let me be clear: I am an artist and I thoroughly endorse commissioning art work, but only when a business has adequate money to take care of its daily needs.

<!--[if !supportEmptyParas]--> <!--[endif]-->
 Thank you for your consideration,
 Kathie Florsheim
 <!--[if !supportEmptyParas]--> <!--[endif]-->

<!--[if !supportEmptyParas]--> <!--[endif]-->

Kathie Florsheim
freelance photographer
Providence, RI
www.kathieflorsheimphotography.com
401/751-7991

**Written Testimony of Steve Archambault on Health Insurers's Proposed Rate Hikes
for Small and Large Groups
16 Whipple Road, Smithfield RI 02917**

I urge Health Commissioner Chris Koller to put a greater weight on reducing administrative costs in the factors that determine the acceptability of rate increases.

According to a recent study released by the Health Insurance Commissioner, Rhode Island Health Insurer's Administrative expenses are higher than the average in New England. There needs to be a new emphasis on reducing administrative costs and other expenses before seeking rate hikes.

For example, the CEO of Blue Cross earned over \$900,000 in total compensation in 2008. And Blue Cross is a non-profit after all.

The double-digit rate hikes proposed by Blue Cross & Blue Shield of RI, United Health Care of New England and Tufts Health Plan for small and large groups employers pose a serious potential economic hardship to over 300,000 Rhode Islanders. Rhode Island families and businesses are already squeezed as our state faces the most difficult economic situation in at least a generation. These proposed rate hikes are simply unaffordable and the Insurers' should be sent back to the drawing board.

While I recognize we can not solve the whole problem just by reducing administrative costs, it is certainly where we must begin. Rhode Island families and businesses are at the breaking point and before we ask them to pay more, we need to ensure that health insurers' operate with across the board frugality and cost-effectiveness and that means stricter scrutiny of administrative expenses.

From: <steven.handell@cox.net>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/21/2010 8:43 AM
Subject: Health Insurance

Any increase in Health Care Cost will put many small businesses, including mine out of business. Last August our health insurer, United Health sent us our annual renewal, for a husband and wife we were paying \$660 per month and our renewal rate was quoted at \$846, a 28% increase in premiums now they want another 11% increase.

With this economy my income has dropped 40% from a few years ago no one can stand this kind of increase.

Last April our daughter turned 19 years old and was told by United Healthcare she would not be able to stay on our family plan and now has no health insurance but other people we know have a daughter who is single mother with a small child that receives FREE health care and has just received a tax refund check of \$5000 and she only works part time and receives free daycare and food stamps. Are we encouraging this sort of life style?

I am tired of paying for other people getting a free ride on my health care dollar.

From: Sara Donohue <sarawd1@gmail.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/22/2010 7:46 AM
Subject: Health Care Increase

To: Health Insurance Advisory Council

Re: Meeting on Increase

Please someone STOP this increase! This is another blatant abuse of Blue Cross and Doctors on the average working person and small businesses. One would have to be stupid not to see the game they play with each other with billing charges. Look at any EOB- the Doctor bills 3 to 4 times the amount that they know Blue Cross will allow. This game needs to stop now! Everyone knows the reason the hospitals' inpatient costs are up is because more and more people are using the Emergency rooms as their clinics. No one can afford this anymore. The cycle must stop! Rhode Island is going to implode from it's own greed. Between the teacher's unions and the corrupt healthcare sysytem, there will no one left except those in the upper income bracket- the very people profiting off the abuse of the healthcare system.

Thank you,
SD

From: "Roni Kabessa" <Roni@dcigift.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/22/2010 9:22 AM
Subject: From DCI

Dear Mr. Koller,

I like to comment on the health care hike suggested by the health care insurance companies .The price hike requested by the health care provider is real unbelievable to us , my company with 18 employees ,average age is 32 received a 23% hike last year(2010) and cost of employs is at \$400 a person , we pay 75% of this cost and we have cup it at \$300 , any price will need to be pass to our employs , We have moved from NYC in 2005 to RI and since 2005 our health care went up 50%.....

I hope this e-mail will open your mind to have opened public hearing.

At current situation open discussion with businesses owners like me is needed.

Sincerely,

Roni Kabessa

Founder / Managing Director

Decor Craft Inc/ DCI

275 Westminster Street Suite 555

Providence, RI 02903 USA

t 401.621.2324 x200

f 401.621.5324

Skype: roni.dci

NYC SHOWROOM BY APPOINTMENT

roni@dcigift.com <mailto:roni@dcigift.com>
<<http://www.dcigift.com/>>

www.dcigift.com

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P Before you print this e-mail, think twice if it is really needed.

CC: Imello@ohic.ri.gov; Imello@ohic.ri.gov; JCOGAN@ohic.ri.gov

From: "Jack Reinholt" <jack.reinholt@gmail.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/22/2010 12:02 PM
Subject: BCBS Rate Increase Proposal

Sir,

My wife and I ask that you consider tying any rate increase to the rate of inflation.

We are Social Security recipients and have had no increase in payment the last two years.

13% of Rhode Islanders are out of work - the actual rate is likely near double 13%.

BCBS works hard to protect and increase profits at a time too many cannot afford present rates. BCBS must handle some of the realities faced by those they insure.

Thank you for your consideration of our request.

Jack & Sylvia Reinholt

Jack & Sylvia Reinholt

14 Clifton Rd.

Bristol, RI 02809

Mobile: (401) 662-7164

Home: (401) 253-5309

EDWARDS ANGELL PALMER & DODGE LLP

2800 Financial Plaza Providence, RI 02903 401.274.9200 fax 401.276.6611 eapdlaw.com

Mark W. Freel

401.276.6681

fax 888.325.9015

mfreel@eapdlaw.com

February 22, 2010

BY COURIER

Mr. Christopher F. Koller
Health Insurance Commissioner
Office of Health Insurance Commissioner
1511 Pontiac Avenue, Building 69-1
Cranston, RI 02920

Re: Health Insurer Rate Factor Review

Dear Mr. Koller:

We are writing on behalf of the Rhode Island Manufacturers Association ("RIMA") in connection with your solicitation of public comment on the above-referenced matter. In particular, we are writing with regard to the group rate factor filing (the "Filing") made with your office on or about January 22, 2010, by Blue Cross & Blue Shield of Rhode Island ("BCBSRI").

RIMA is a trade association that represents the interests of nearly three hundred (300) Rhode Island manufacturing companies, ranging from small businesses to much larger manufacturers. RIMA's member companies employ as many as 30,000 people in Rhode Island. Those companies make a substantial contribution to the economy and the work force in this state, and are therefore understandably concerned about the rapidly rising costs of health care insurance. Manufacturers provide high quality jobs with benefits, and are therefore invariably impacted by spiraling costs in the health care insurance market.

First, the Filing by BCBSRI states that it "holds administrative charges at current levels as measured on a percent of premium basis." We believe, however, that this statement is misleading and therefore is not an accurate representation of the relevant facts. The reality is that administrative costs are not being held at current levels, but are increasing at the same rate as the increase in the claims portion of the premiums (11.4% for small groups and 14.6% for large groups). It is hard to understand why these increases would be so high if, in fact, BCBSRI is maintaining administrative costs "at current levels." Please note that BCBSRI has also excluded certain "extraordinary" expenses associated with its new "core operational computer system" and its "integrated health management initiative" from its administrative expenses. Therefore, these expenses are being passed on to insureds and their employers, in addition to the 11.4% and 14.6% percent increases set forth above, in the form of increased reserve factors.

Second, BCBSRI states in its Filing that it has eliminated 157 full-time positions in the last two years, and has taken steps to decrease employee salaries. At the same time, however,

Mr. Christopher F. Koller

February 22, 2010

Page 2

BCBSRI's own data submitted with the Filing indicates that payroll and benefits have increased by 17.6% (for small groups) and 13.9% (for large groups), respectively. It is entirely unclear how these payroll and benefit costs can increase so substantially if 157 full-time positions have been eliminated. Other data suggests that virtually every category of administrative expense has increased. RIMA believes that this is actually the basis for the proposed rate increase, despite statements to the contrary by BCBSRI in its Filing. We suspect that BCBSRI has been forced by its major self-insured clients to lower the administrative costs that they are charged and has chosen instead to pass on the difference to its insured businesses, such as RIMA members. BCBSRI should be reducing costs, not transferring them to others.

Third, and finally, BCBSRI seeks a reserve factor of 2.34%, up from 1.34%. Competing insurers have sought reserve factors substantially lower, or none at all. RIMA asserts that BCBSRI, through this reserve factor, is passing on the costs of its new claims system, its new office building, and other expenses to its insureds, and has been doing so by increases in this reserve factor for a period of many years. This increase in the reserve factor would not be necessary if BCBSRI would instead hold its administrative costs at current levels.

In sum, RIMA and its member employers and employees urge you, on behalf of the people of the State of Rhode Island, to give serious scrutiny to the statements made by BCBSRI in support of its Filing, and to question, in particular, the statement that this Filing "holds administrative charges at current levels." In fact, RIMA suggests that there is no support for that statement, and, rather, that BCBSRI is attempting to pass on a substantial increase in its administrative costs to its insureds and their employers in the form of premium increases. On behalf of the many employers and employees in this state that are routinely and increasingly burdened by spiraling health care insurance costs, we urge your office to reject any increase in administrative expenses proposed by BCBSRI and to limit any proposed increases in premium rates to no more than the CPI index. BCBSRI should be joining all other employers in the State of Rhode Island in taking real and concrete steps to control its costs, and to ensure that the benefits of any such steps are passed on to its customers.

On behalf of RIMA, we request an opportunity to be heard further on these issues at any future public hearings held on this Filing. Thank you for your consideration.

Respectfully submitted,


Mark W. Freel

cc: Mr. John Grady
Mr. Al T. Lubrano
Mr. Wally Gernt

From: teresa tanzi <teresatanzi@mac.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/22/2010 2:20 PM
Subject: Testimony

February 22, 2010

Dear Commissioner Koller:

I appreciate the opportunity to submit testimony as part of the health insurance rate factor review and the thorough efforts of the staff and office of the Health Insurance Commissioners Office in soliciting and collecting these important testimonies. I would like to begin my testimony with a quote from the recently released report entitled, "Variations in Hospital Payment Rates by Commercial Insurers in Rhode Island" where the document specifies the "Powers and Duties of the Office of the Health Insurance Commissioner" when stating, "OHIC is responsible for holding health plans in RI responsible for their statutory obligation to improve the affordability of RI's health system" (p.6). Understanding that mandate, I urge Commissioner Koller to significantly reduce the requested rate increases.

Having attended two recent Health Insurance Advisory Council meetings, and being a Wakefield resident who relies on South County Hospital (an unaffiliated community hospital), I find it appalling that the same insurers who have either under-compensated SCH, or over paid the larger mega-hospitals, can justify a double digit rate increase.

The January report goes on to state, "Payments to hospitals comprise approximately 40 percent of health insurance premiums. Variations in hospital payment rates may affect the affordability of health insurance in RI" (p.6). We later see the reports findings summarized in the following table:

| |
|-------------------|
| Lifespan |
| CNE |
| Unaffiliated |
| Average |
| Per Diem Payments |
| \$3,696 |
| \$3,266 |
| \$2,397 |
| \$3,238 |
| Payment Per Stay |
| \$14,586 |
| \$12,164 |
| \$9,437 |
| \$12,687 |

Until we definitively know that there are no efficiencies to be gained by lowering the payment rates of the affiliated hospitals to that of the unaffiliated hospitals, I believe the Office of the Health Insurance Commission has an obligation to postpone the proposed increases. Of course we know the larger hospitals would never agree to such a change, yet I feel it incumbent upon the Insurance companies to positively account for the necessity of the higher rate, or be forced to pay all hospitals the same, or reasonably similar, rate.

Upon viewing the disparities among hospital provider reimbursements, I find it nearly impossible to reward the silence surrounding the inequities, by approving the requested rate hikes. Until the insurance companies provide explanations for the substantial differences in reimbursement rates, the OHIC has no obligation to approve these rates. As state and local government offices, individual business owners, and families all are forced to operate more efficiently on leaner budgets, I feel it is time for the insurance providers to implement change and aggressively seek innovations in providing their services.

I do understand that the affiliated hospitals and insurance companies dispute the findings and the methodology of the study regarding the specific data set used, however, until they come forward with a

reasonable explanation for the differences, I base my testimony on the report as filed.

Sincerely,
Teresa Tanzi
57 Hillcrest Road
Wakefield, RI 02879

From: jean morosini <jeanamoro@gmail.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/22/2010 4:24 PM
Subject: BCBS

I am a BCBS Direct Pay customer who pays \$4,000 a year for my health insurance with a \$2,000 deductible. I have to take money out of my savings to pay this bill each month, so I have my fingers crossed that my monthly BCBS bill will stay as close to what I am paying now, as is possible.

I emailed you last year, thanking you for doing such a great job when negotiating with Blue Cross for The Direct Pay members and I have faith that you'll do the best you possibly can for us again this year!!!

Thanks for asking for my opinion!!!

Jean A. Morosini
Westerly, R.I.

From: David Auchenbach <davidauchenbach@gmail.com>
To: HealthInsInquiry@ohic.ri.gov
Date: 2/22/2010 5:06 PM
Subject: Say No to Insurers Rate increases!

Dear Commissioner Koller, As I attended your meeting last Tuesday February 16th, I had to wonder about a number of issues at stake in the proposed rate increases. First, why was the Attorney General's request for a public hearing denied ? The 'open' meeting was barely advertised and not easy to locate , thus the lack of public presence was unsurprising. With all due respect, the commission' s perspective seemed to be out of step with the business climate of Rhode Island. This is a substantial increase and I didn't hear (or find in the paperwork) any long term prospectives for the future. This is just not smart business.

In looking over BCBSRI's annual reports (2006, 2007, and 2008 available from their own website), I find that the amount paid out for claims, declined from 85.5%, to 84.7%, to 84% in 2008. Operating expenses increased from 10.9% of premiums in 2006, to 11.3% in 2007 and 12.5% in 2008. Although I'm sure there are other factors to consider these are important trends in the wrong direction.

As a nonprofit BCBCSRI in particular needs to get these issues in line with the needs of its customers in RI and I sincerely believe that reform must start now by denying these increases. If you would like to discuss any of these issues further please contact me @ 401-273-6986. Thank you.

Respectfully,

David Auchenbach